

## **Improvement Report**

June 2, 2026

To:  
Tokyo Stock Exchange, Inc.  
Ryusuke Yokoyama  
President & CEO

KDDI CORPORATION  
Hiromichi Matsuda  
Representative Director and President CEO

In connection with the corrections to the Financial Statements Summaries, Quarterly Financial Statements Summaries, the Annual Securities Reports and Quarterly Reports for prior fiscal years (hereinafter collectively referred to as the “Financial Statements Summaries, etc. for Prior Fiscal Years”), we hereby submit this Improvement Report, which describes the background to the corrections and the improvement measures taken, in accordance with Article 504, Paragraph 3 of the Securities Listing Regulations.

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## 1. Background

As announced in the “Notice Regarding Submission of Amended Reports for Prior Fiscal Year Securities Reports and Other Reports, and Corrections to Prior Fiscal Year Financial Results and Other Reports” dated March 31, 2026, KDDI CORPORATION (hereinafter referred to as “KDDI,” “we,” or “our”) corrected our financial results for prior fiscal years. The details of the corrections to our financial results for prior fiscal years and the impact of such corrections on our financial results are as follows.

### (1) Details of Corrections to Financial Results for Prior Fiscal Years

#### (I) Corrected Financial Statements Summaries, etc. for Prior Fiscal Years

##### **Annual Securities Reports**

Annual Securities Report for the 39th Fiscal Year (from April 1, 2022 to March 31, 2023)

Annual Securities Report for the 40th Fiscal Year (from April 1, 2023 to March 31, 2024)

Annual Securities Report for the 41st Fiscal Year (from April 1, 2024 to March 31, 2025)

##### **Semiannual Reports**

Semiannual Report for the 41st Fiscal Year (from April 1, 2024 to September 30, 2024)

Semiannual Report for the 42nd Fiscal Year (from April 1, 2025 to September 30, 2025)

##### **Quarterly Reports**

Quarterly Report for the 40th Fiscal Year, First Quarter (from April 1, 2023 to June 30, 2023)

Quarterly Report for the 40th Fiscal Year, Second Quarter (from July 1, 2023 to September 30, 2023)

Quarterly Report for the 40th Fiscal Year, Third Quarter (from October 1, 2023 to December 31, 2023)

##### **Financial Statements Summaries**

Financial Statements Summary for the three-month period ended June 30, 2024 [IFRS]  
(Consolidated)

Financial Statements Summary for the nine-month period ended December 31, 2024 [IFRS]  
(Consolidated)

Financial Statements Summary for the Year ended March 31, 2025 [IFRS] (Consolidated)

Financial Statements Summary for the three-month period ended June 30, 2025 [IFRS]  
(Consolidated)

Financial Statements Summary for the six-month period ended September 30, 2025 [IFRS]  
(Consolidated)

(II) Amount of Impact of the Corrections on Consolidated Financial Results

Period	Item	(Unit: yen in millions)			
		Before Correction (A)	After Correction (B)	Amount of Impact (B-A)	Rate of Change (%)
39th Fiscal Year (FY ended March 2023)	Operating revenue	5,671,762	5,630,024	(41,738)	(0.7)
	Operating income	1,075,749	1,045,346	(30,403)	(2.8)
	Profit for the period attributable to owners of the parent	677,469	649,747	(27,722)	(4.1)
	Full year				
40th Fiscal Year (FY ended March 2024)	Total assets	11,917,643	11,849,715	(67,928)	(0.6)
	Total equity	5,664,780	5,600,358	(64,422)	(1.1)
	Operating revenue	1,332,576	1,316,109	(16,466)	(1.2)
	Operating income	266,668	264,946	(1,723)	(0.6)
40th Fiscal Year (FY ended March 2024)	Profit for the period attributable to owners of the parent	176,943	175,185	(1,758)	(1.0)
	First Quarter				
	Total assets	12,173,341	12,101,426	(71,916)	(0.6)
	Total equity	5,731,372	5,664,872	(66,500)	(1.2)
40th Fiscal Year (FY ended March 2024)	Operating revenue	2,778,967	2,741,275	(37,692)	(1.4)
	Operating income	560,319	557,250	(3,069)	(0.5)
	Profit for the period attributable to owners of the parent	368,695	365,513	(3,182)	(0.9)
	Second Quarter				
40th Fiscal Year (FY ended March 2024)	Total assets	12,858,776	12,783,229	(75,546)	(0.6)
	Total equity	5,756,675	5,688,428	(68,246)	(1.2)
	Operating revenue	4,265,531	4,219,979	(45,552)	(1.1)
	Operating income	847,877	842,719	(5,158)	(0.6)
40th Fiscal Year (FY ended March 2024)	Profit for the period attributable to owners of the parent	545,593	540,262	(5,331)	(1.0)
	Third Quarter				
	Total assets	13,456,032	13,375,503	(80,529)	(0.6)

	Total equity	5,772,897	5,702,182	(70,715)	(1.2)
	Operating revenue	5,754,047	5,699,724	(54,324)	(0.9)
40th Fiscal Year	Operating income	961,584	912,031	(49,553)	(5.2)
(FY ended March	Profit for the period	637,874	600,281	(37,593)	(5.9)
2024)	attributable to				
Full Year	owners of the parent				
	Total assets	14,146,060	14,054,762	(91,298)	(0.6)
	Total equity	5,797,226	5,731,912	(65,315)	(1.1)
	Operating revenue	1,389,138	1,373,856	(15,283)	(1.1)
41st Fiscal Year	Operating income	276,988	272,305	(4,684)	(1.7)
(FY ended March	Profit for the period	176,949	172,069	(4,880)	(2.8)
2025)	attributable to				
First Quarter	owners of the parent				
	Total assets	15,636,018	15,534,592	(101,427)	(0.6)
	Total equity	5,792,851	5,722,282	(70,569)	(1.2)
	Operating revenue	2,855,713	2,821,320	(34,393)	(1.2)
41st Fiscal Year	Operating income	573,086	562,193	(10,892)	(1.9)
(FY ended March	Profit for the period	351,202	339,894	(11,309)	(3.2)
2025)	attributable to				
Second Quarter	owners of the parent				
	Total assets	15,808,645	15,695,455	(113,190)	(0.7)
	Total equity	5,658,400	5,581,777	(76,623)	(1.4)
	Operating revenue	4,364,195	4,308,539	(55,656)	(1.3)
41st Fiscal Year	Operating income	864,566	847,697	(16,869)	(2.0)
(FY ended March	Profit for the period	536,531	519,004	(17,527)	(3.3)
2025)	attributable to				
Third Quarter	owners of the parent				
	Total assets	16,284,389	16,156,689	(127,700)	(0.8)
	Total equity	5,679,867	5,597,025	(82,842)	(1.5)
	Operating revenue	5,917,953	5,835,525	(82,428)	(1.4)
41st Fiscal Year	Operating income	1,118,674	1,087,468	(31,206)	(2.8)
(FY ended March	Profit for the period	685,677	655,416	(30,262)	(4.4)
2025)	attributable to				
Full Year	owners of the parent				
	Total assets	16,876,219	16,714,708	(161,511)	(1.0)
	Total equity	5,650,572	5,554,995	(95,576)	(1.7)

	Operating revenue	1,436,328	1,415,734	(20,594)	(1.4)
	Operating income	272,540	259,473	(13,067)	(4.8)
42nd Fiscal Year (FY ended March 2026)	Profit for the period	171,122	160,069	(11,053)	(6.5)
	attributable to owners of the parent				
First Quarter	Total assets	17,594,339	17,414,028	(180,311)	(1.0)
	Total equity	5,653,511	5,546,881	(106,630)	(1.9)
	Operating revenue	2,963,161	2,916,005	(47,156)	(1.6)
	Operating income	577,156	555,004	(22,153)	(3.8)
42nd Fiscal Year (FY ended March 2026)	Profit for the period	377,723	359,882	(17,841)	(4.7)
	attributable to owners of the parent				
Second Quarter	Total assets	18,019,211	17,806,803	(212,407)	(1.2)
	Total equity	5,475,126	5,361,708	(113,417)	(2.1)

(2) Background and Reasons Leading to the Correction of the Financial Statements Summaries, etc. for Prior Fiscal Years

The background and reasons leading to the correction of the Financial Statements Summaries, etc. for Prior Fiscal Years are as follows.

Unless otherwise specified, the terms used below have the meanings given to them in the “Investigation Report (Public Version)” contained in the document titled “Receipt of the Investigation Report by the Special Investigation Committee on Suspicions Regarding Inappropriate Transactions at Our Consolidated Subsidiaries and Our Future Response Measures” dated March 31, 2026.

(I) Background Leading to the Discovery of the Fictitious Circular Transactions

In February 2025, Chairman (then President and Representative Director) of KDDI, expressed concerns during its management strategy meeting about potential compliance issues regarding the significant improvement in the performance of BIGLOBE’s advertising agency business. In response, the advertising agency business was included in the scope of KDDI’s internal audit for that fiscal year by the Internal Audit Division, and Full-time Statutory Auditors of KDDI, instructed BIGLOBE’s Statutory Auditor at that time to conduct detailed audits of BIGLOBE. Subsequently, Full-time Statutory Auditors of KDDI consulted with the accounting auditors and the Internal Audit Division and working in collaboration with them, conducted a preliminary investigation in preparation for the subsidiary audit of BIGLOBE by the Statutory Auditors of KDDI. During that process, in October 2025, KDDI’s accounting auditors indicated the potential existence of the Fictitious Circular Transactions. In response, KDDI commenced an internal investigation into the Fictitious Circular Transactions in collaboration with the Statutory Auditors and the Internal Audit Division, and with the engagement of external experts. In response, Person A, General Manager of the Solution Sales Business Division at G-PLAN who had spearheaded the Fictitious Circular Transactions and feared the discovery of the Fictitious Circular Transactions, colluded with certain advertising agencies in early November 2025 to prevent the discovery of the Fictitious Circular Transactions; as a result, the internal investigation failed to uncover the Fictitious Circular Transactions.

Under these circumstances, in November 2025, taking into account concerns regarding the fact that the scale of BIGLOBE’s advertising agency business had expanded beyond the initial plan, KDDI instructed BIGLOBE to reduce the transaction amounts in the advertising agency business. BIGLOBE proceeded accordingly. As a result, payments from BIGLOBE to the Downstream Agencies were reduced, leading to a decrease in the

amount of funds circulating in the scheme. In mid-December 2025, following delays in payments to G-PLAN from certain advertising agencies, Person A acknowledged the existence of the Fictitious Circular Transactions.

In response, KDDI established an internal investigation team comprising external attorneys and certified public accountants and conducted a further investigation. In early January 2026, based on objective evidence consistent with the aforementioned acknowledgement, we confirmed that there were grounds to suspect that the Fictitious Circular Transactions had taken place. Therefore, in order to conduct an investigation with higher level of expertise and objectivity, we decided on January 14, 2026, to establish a Special Investigation Committee composed of external attorneys and certified public accountants as members.

## (II) Composition, Purpose, and Duration of the Special Investigation Committee

<Composition of the Special Investigation Committee>

Chairperson: Toshiya Natori (Attorney-at-Law, SHIN MARUNOUCHI LAW FIRM, Former Public Prosecutor, Supreme Public Prosecutors Office)

Member: Tomohiro Hen (Attorney-at-Law, Nagashima Ohno & Tsunematsu)

Member: Yasunori Sato (Certified Public Account, Deloitte Tohmatsu LLC)

<Purpose of the Investigation>

- Conduct a fact-finding investigation into this matter
- Examine whether there was any impact by this matter on the consolidated financial statements of KDDI and, if so, the amount of the impact
- Identify whether there were any incidents similar to this matter
- Analyze the root causes for the occurrence of this matter and recommend recurrence prevention measures
- Other matters deemed necessary by the committee

<Investigation Period>

The Investigation was conducted from January 14, 2026, to March 31, 2026.

The Investigation was, in principle, conducted for the period from fiscal year 2017, when G-PLAN launched its advertising agency business, to March 31, 2026; however, the Investigation was expanded to cover periods prior to the above as necessary.

## (III) Findings of the Special Investigation Committee

The Investigation Report received from the Special Investigation Committee on March

31, 2026, identified the following inappropriate accounting treatment, and we therefore determined that it was necessary to correct the Financial Statements Summaries, etc. for Prior Fiscal Years.

<Factual Findings of the Investigation>

The Special Investigation Committee's investigation found that, during the period from August 2018 at the latest to December 2025, the Fictitious Circular Transactions had been carried out continuously under the leadership of Person A, who was General Manager of the Solution Sales Business Division at G-PLAN, and from April 2020 onward, with the cooperation of Person B, who served as the leader of both the Solution Team and the Ad Production Team within the Solution Sales Business Division.

The advertising agency business involved in the Fictitious Circular Transactions is a business in which G-PLAN or BIGLOBE intermediated web advertising transactions between upstream advertising agencies (the "Upstream Agencies") and downstream advertising agencies (the "Downstream Agencies"), and received commission revenue based on the number of successful transactions.

In this advertising agency business, Person A and Person B engaged in the Fictitious Circular Transactions by making it appear as though they received and accepted advertisement placement orders from the Upstream Agencies (the Upstream Agencies did not actually make any such orders to the Subsidiaries), which they subcontracted to the Downstream Agencies and arranged for payments to be made in the following sequence: Upstream Agencies → the Subsidiaries → Downstream Agencies → Upstream Agencies.

The Investigation did not identify any similar cases.

The Investigation confirmed that the Fictitious Circular Transactions did not involve any organized scheme by G-PLAN, BIGLOBE and KDDI.

<Accounting Impact>

With respect to the Fictitious Circular Transactions, operating revenue and cost of sales were recorded on the premise that there were advertising placement orders from advertisers, even though no such orders actually existed. Therefore, we have concluded that the operating revenue and cost of sales related to these transactions at BIGLOBE and G-PLAN should be restated because they lack substance.

Furthermore, as a result of the Fictitious Circular Transactions, funds flowed out of the KDDI Group, and the amounts of external outflow corresponds to the settlement difference between the accounts receivable and the accounts payable related to the Fictitious Circular Transactions – in other words, the fees received by the business partners.

The summary of the operating revenues to be restated, the gross profits to be restated and the amounts of external outflow are as shown in the table below.

**Impact on KDDI's Consolidated Statement of Comprehensive Income and Amounts of External Outflow (Unit: billions of yen)**

<b>Fiscal Year</b>	<b>Operating Revenue to be Restated</b>	<b>Gross Profit to be Restated</b>	<b>Amount of External Outflow</b>
<b>Before Fiscal Year Ended March 2023</b>	(41.7)	(2.4)	(1.7)
<b>Fiscal Year Ended March 2024</b>	(54.3)	(5.6)	(3.7)
<b>Fiscal Year Ended March 2025</b>	(82.4)	(16.9)	(10.5)
<b>Accumulated for the Third Quarter of the Fiscal Year Ended March 2026</b>	(67.6)	(25.0)	(17.1)
<b>Total</b>	(246.1)	(49.9)	(32.9)

2. Improvement Measures

(1) Analysis of the Causes of the Fictitious Circular Transactions

G-PLAN, BIGLOBE, and KDDI did not possess company-wide expertise and know-how regarding the advertising agency business, which was a fundamental prerequisite for establishing internal controls and a subsidiary management system to prevent the occurrence of the Fictitious Circular Transactions. Furthermore, precisely because of this fundamental lack of such expertise and know-how, G-PLAN and BIGLOBE, which employed Person A and Person B and conducted the advertising agency business, were unable to establish internal controls to properly manage and supervise the two individuals. BIGLOBE and KDDI were unable to establish and exercise appropriate management systems and governance functions regarding the advertising agency business conducted by their subsidiaries. As a result, circumstances arose that allowed accounting fraud on a massive scale, such as the Fictitious Circular Transactions, to occur and continue.

(I) Causes at G-PLAN

A. Company-Wide Lack of Expertise in, and Risk Awareness of, the Advertising Agency Business

We recognize that, when the advertising agency business was launched and rapidly expanded, there was a company-wide lack of expertise regarding this business. Consequently, the assessment of fraud risks and the establishment of a management system specific to this business were insufficient. We further recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

B. Concentration of Advertising Agency Business Tasks among Specific Personnel, and Insufficient Appropriate Checks and Balances and Supervision within the Business Division

(a) Overreliance on specific individuals for tasks

At G-PLAN, in addition to the uneven distribution of expertise regarding the advertising agency business, the fixed assignment of personnel allowed overreliance on specific individuals for tasks to persist, resulting in the absence of an organizational system to appropriately supervise and verify business operations. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(b) Insufficient segregation of duties in ordering and payment processes for Downstream Agencies

We recognize that the insufficient segregation of duties in the procurement processes, together with the concentration of tasks with Person A and Person B, constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

C. Inadequate Oversight of the Business Division by the Corporate Division

(a) Inadequate credit management

We recognize that the fact that the credit management system was not commensurate with the scale of the advertising agency business constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(b) Failure to verify whether Downstream Agencies had order-fulfillment capacity commensurate with the scale of the transactions

We recognize that insufficient verification of whether the Downstream Agencies

had order-fulfillment capacity commensurate with the scale of the transactions constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(c) Recognition of revenue without confirming the existence of the transactions

Revenue was recognized without confirmation from advertisers. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

D. Insufficient Internal Audits

We recognize that G-PLAN's insufficient internal audit staffing, together with the limited scope of its audit methods constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(II) Causes at BIGLOBE

A. Company-Wide Lack of Expertise in, and Risk Awareness of, the Advertising Agency Business

At BIGLOBE, due to a lack of company-wide expertise regarding the advertising agency business and the resulting low risk awareness, sufficient caution was not exercised in response to the abnormal expansion of that business, and the business proceeded without correcting its overreliance on specific personnel. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

B. Concentration of Advertising Agency Business Tasks among Specific Personnel, and Insufficient Appropriate Checks and Balances and Supervision within the Business Division

(a) Overreliance on specific individuals for tasks

At BIGLOBE, in addition to the uneven distribution of expertise regarding the advertising agency business, Person A and Person B caused the business operations to be increasingly dependent on specific individuals for tasks, resulting in the absence of an organizational system to appropriately supervise and verify business operations. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(b) Insufficient segregation of duties in ordering and payment processes for

#### Downstream Agencies

- a. The non-involvement of the procurement division in the ordering process for Downstream Agencies

We recognize that the failure of the checks and balances that should have been ensured by the procurement and ordering system to function properly resulted in a missed opportunity to detect signs of the Fictitious Circular Transactions, which constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation at BIGLOBE.

- b. Lack of segregation of duties in ordering process within the business division with respect to the ordering process for Downstream Agencies

At BIGLOBE, decisions regarding orders for Downstream Agencies were concentrated among specific personnel, resulting in a situation where independent checks and balances within the Realize Business Division did not operate effectively. We recognize that, as with point a. above, this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

- c. Failure to verify the existence of transactions when placing orders and making payments to Downstream Agencies

BIGLOBE proceeded on the assumption that the explanations provided by Person A and Person B – namely, that advertisements for products/services would be posted on social media platforms through Downstream Agencies acting as suppliers – were true, and left the ordering process for the Downstream Agencies to Person A and Person B, who were responsible for such process, without sufficiently verifying the specific appropriateness of the order details or the actual existence of the transactions. Furthermore, BIGLOBE did not request documentation regarding actual advertisement placements when making payments to the Downstream Agencies. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

#### C. Insufficient Management of the Business Divisions by the Corporate Division

- (a) Insufficient credit management

We recognize that, in relation to transactions involving the advertising agency business, credit assessments of the contracting parties and transaction relationships were not conducted sufficiently, and we did not sufficiently verify the transaction

details and the existence of the underlying business negotiations. These constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(b) Failure to verify whether Downstream Agencies had order-fulfillment capacity commensurate with the scale of the transactions

With regard to the advertising agency business, BIGLOBE did not sufficiently confirm the credit standing and actual business operations of Downstream Agencies, either at the outset of transactions or at any stage thereafter, and it took no appropriate verification measures even after obtaining information that should have raised questions as to the eligibility of the counterparties. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(c) Recognition of revenue without confirming the existence of the transactions

At BIGLOBE, revenue was recognized solely on the basis of explanations provided by Person A, Person B, and Person S, without confirmation from the advertisers. We recognize that this constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(d) Insufficient judgment regarding loans under group finance

At BIGLOBE, sufficient checks and balances did not operate effectively in connection with decisions to extend loans under group finance. We recognize that this constituted one of the factors that permitted the Fictitious Circular Transactions' expansion and continuation.

D. Insufficient Internal Audits

Although BIGLOBE did conduct internal audits of transactions related to the advertising agency business, the audit procedures did not extend to verifying the existence of the transactions. The possibility that such insufficient audits may have resulted in unnatural transaction structures being overlooked cannot be ruled out. Therefore, we recognize that these deficiencies in internal audits constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

#### E. Insufficient Subsidiary Management of G-PLAN

##### (a) Insufficient supervision of credit management at subsidiaries

At BIGLOBE, substantive supervision of its subsidiaries' credit assessments did not function sufficiently. We recognize that this constituted one of the factors that caused BIGLOBE to miss opportunities to identify abnormalities in the Fictitious Circular Transactions and permitted their expansion and continuation.

##### (b) Insufficient internal audits of subsidiaries

BIGLOBE's internal audit methodology did not involve substantive verification of the existence of transactions or the propriety of operations. We recognize that this constituted one of the factors that caused BIGLOBE to miss opportunities to identify abnormalities in the Fictitious Circular Transactions and permitted their expansion and continuation.

#### (III) Causes within KDDI

##### A. Company-Wide Lack of Expertise in, and Risk Awareness of, the Advertising Agency Business

The principal causes of our failure to detect the Fictitious Circular Transactions, and of the resulting expansion and continuation of such transactions, included issues commonly observed in our management of BIGLOBE as a subsidiary; namely, a lack of sufficient expertise regarding the advertising agency business and insufficient risk awareness of fraud.

Furthermore, due to this company-wide lack of expertise regarding the advertising agency business, we did not critically scrutinize BIGLOBE's explanations regarding the advertising agency business. Consequently, we did not sufficiently question whether compliance-related issues may have been the underlying reason for the rapid expansion of the advertising agency business, thereby permitting the expansion and continuation of the Fictitious Circular Transactions.

In addition, it appears that our awareness of the lessons learned from the accounting misconduct at an overseas subsidiary that occurred approximately ten years ago (the DMX matter) gradually diminished, and our risk awareness of fraud at subsidiaries also declined. As a result, we were unable to sufficiently maintain the high level of risk awareness that we should have had in our position as the entity responsible for managing and supervising our subsidiaries. Furthermore, since the Fictitious Circular Transactions were also being conducted at G-PLAN, which was our sub-subsidiary (second-tier subsidiary), and given that we are an extremely large

corporate group with approximately 190 consolidated subsidiaries, it was difficult to extend management supervision beyond our direct subsidiaries to sub-subsidiaries. Consequently, even when material changes occurred in a subsidiary's performance, we did not apply a sufficiently rigorous approach in assessing the reasonableness and sustainability of such changes from a risk perspective, including risks at the sub-subsidiary level. We recognize that this decline in risk awareness constituted one of the factors that delayed the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

B. Insufficient Business Management of Subsidiaries by the Investment Management Division

(a) Insufficient detection of risks in the advertising agency business

We approved the Master Plan (i.e., the business plan for each fiscal year based on the medium-term management strategy) without sufficiently scrutinizing the advertising agency business, with the result that we were unable to sufficiently identify and assess the risks inherent in the advertising agency business.

In addition, generally, we reviewed the appropriateness of credit limits under group finance based on the Master Plan through the investment management division (a headquarters-equivalent organization closely involved in the business of each subsidiary and investee company; for BIGLOBE and G-PLAN, the Personal Business Management Division serves as the relevant investment management division). However, as described above, because we did not sufficiently verify the advertising agency business at the stage of formulating the Master Plan, we were unable to set credit limits that appropriately reflected the business risks.

Furthermore, combined with the fact that we did not keep sufficient track of our cash flow position in the course of monthly profitability management, we failed to detect the fact that the funds injected through group finance were being misappropriated in furtherance of the Fictitious Circular Transactions.

Thus, we did not thoroughly review BIGLOBE's advertising agency business and did not sufficiently identify risks inherent in such business. We recognize that this constituted one of the factors that prevented discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(b) Failure to identify division of duties at the subsidiary that facilitated misconduct

At KDDI, the General Manager of the Personal Business Management Division serves as the head of the investment management division and is responsible for the

establishment of BIGLOBE's internal control system. Under such responsibility, the Personal Business Management Division was in a position to understand and supervise the status of internal controls. From the perspective of ensuring an appropriate internal control system at the subsidiary, the Division should have examined organizational structures that could minimize the risk of fraud to the greatest extent possible, and should have verified compliance with the established division. However, the Division failed to sufficiently implement these measures in the advertising agency business. We recognize that this insufficiency in internal control initiatives constituted one of the factors that prevented the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

(c) Limited management personnel in the investment management division

Within our Personal Business Management Division, management of BIGLOBE was handled by limited personnel, consisting of two: one primary person in charge and one deputy person in charge. Furthermore, since the deputy person in charge was also primarily responsible for managing another subsidiary, the management of BIGLOBE within such Division effectively relied heavily on the single primary person in charge.

As a result, the Personal Business Management Division was unable to establish a sufficient management structure based on cross-checking and support from multiple perspectives, and it was unable to manage the details of BIGLOBE's advertising agency business or the actual state of its operations. We recognize that this weakness in personnel structure constituted one of the factors that prevented the discovery of the Fictitious Circular Transactions and permitted their expansion and continuation.

C. Insufficient Subsidiary Management by the Corporate Division

(a) Group finance management was overly reliant on credit limit management

As a general rule, lending under our group finance was handled by extending loans in response to requests from subsidiaries, provided that the amount did not exceed the credit limit set for each company.

Therefore, it cannot be ruled out that, if our Corporate Management Division had detected the risk of running out of funds and conducted a more thorough review of the appropriateness of BIGLOBE's funding requirements, it may have been possible to discover the Fictitious Circular Transactions and prevented their continuation and expansion at an earlier stage.

We, therefore, recognize that group finance management had become overly reliant

on whether credit limits would be exceeded, and this constituted one of the factors that permitted the Fictitious Circular Transactions expansion and continuation.

(b) Fragmentation of financial management functions of subsidiaries and lack of integrated management

At KDDI, the review and management of items necessary for evaluating the financial condition of subsidiaries were handled separately by each department within the Corporate Division. However, there was no clearly established mechanism for the cross-functional, end-to-end review and assessment of these matters from the perspective of evaluating the financial condition of the subsidiaries.

Furthermore, coordination between the Personal Business Management Division, which serves as the investment management division, and the divisions within the Corporate Sector was not necessarily sufficient from the perspective of evaluating the financial condition of subsidiaries.

In addition, the structure may have been such that important information regarding the subsidiaries was not readily consolidated across the organization, with the result that financial concerns or warning signs that could have been identified through BIGLOBE's CFO were not subject to integrated assessment across the group as a whole.

Therefore, we recognize that if a system had been in place to ensure sufficient coordination among these departments and divisions, we may have been able to detect the risk of fraud by comprehensively assessing factors such as the rapid expansion of BIGLOBE's advertising agency business and the continued use of group financing as it approached the credit limits, thereby preventing the continuation and expansion of the Fictitious Circular Transactions at an earlier stage.

D. Failure to Conduct More Specialized Internal Audits Regarding the Risk of Fraud in the Advertising Agency Business

Given that even our internal audits had identified the issue of insufficient supporting documentation at the time of payment approval to Downstream Agencies, we could have considered conducting more specialized audits regarding the risk of fraudulent transactions, including verification of the existence of transactions, by utilizing external experts and others with expertise in the affiliate business. We recognize that had such measures been taken, it might have been possible to detect the Fictitious Circular Transactions at an earlier stage.

(2) Improvement Measures to Prevent Recurrence (Including Measures Already Implemented)

Taking into account the substance and intent of the recurrence prevention measures recommended by the Special Investigation Committee and the root cause analysis, KDDI, BIGLOBE and G-PLAN are considering, introducing, and implementing improvement measures (recurrence prevention measures) in a manner tailored to the circumstances of each company. The development and implementation of the recurrence prevention measures at G-PLAN are being carried out in an integrated manner with BIGLOBE. The advertising agency business at BIGLOBE and G-PLAN, in which the Fictitious Circular Transactions were conducted, was suspended immediately after the Fictitious Circular Transactions were discovered in December 2025, has not been resumed thereafter, and there are no plans to resume it.

BIGLOBE appointed new management effective April 1, 2026, and G-PLAN appointed new management effective April 8, 2026. Both companies have been implementing recurrence prevention initiatives under new management. In addition, on April 21, 2026, both companies established a new recurrence prevention measures promotion meeting, under which the new management of both companies has been reviewing the details of the recurrence prevention measures, including those that had been considered under the former management through the end of March, 2026, and is proceeding with their introduction and implementation.

In addition, based on the recommendations of the Special Investigation Committee, we have been considering and implementing recurrence prevention measures in relation to this matter, mainly through our business divisions, including the investment management division, as well as our corporate and audit divisions. Overall supervision, management and monitoring of our recurrence prevention measures are handled by the Governance Promotion Division, Governance Administration Department and the Internal Control Department. Since January 2026, the Corporate Sector and the director in charge thereof, together with the Internal Audit Division, have been reporting to our Board of Directors, at both Board of Directors' meetings and off-site meetings, with respect to the establishment of the Special Investigation Committee, the receipt and disclosure of the Investigation Report, and subsequent recurrence prevention initiatives. Going forward, we will continue to report on the status of the implementation of improvement measures to the Board of Directors (including off-site meetings) and work to ensure that such improvement measures are appropriately implemented and further strengthened through oversight by directors, including outside directors.

The status of the specific improvement measures at KDDI, BIGLOBE, and G-PLAN is as follows. The terms "first-line," "second-line," and "third-line" used in the explanation of the status of these specific improvement measures are based on the "Three Lines Model" advocated by the Institute of Internal Auditors (IIA). The Three Lines Model is a framework intended to facilitate risk management by understanding an organization in terms of three lines. Based on this model,

we refer to the operational frontline as the “first-line,” what is commonly referred to as the back office as the “second-line,” and the functions that conduct audits and other activities independently of the first and second-lines as the “third-line.” Accordingly, the terms “first-line,” “second-line,” and “third-line” are used below accordingly. The term “1.5-line” refers to an organization belonging to the same division as the first-line department responsible for communication and coordination between the first-line and the second or third-line.

( I ) Improvement Measures at BIGLOBE and G-PLAN

A. Strengthening Risk Assessment for Misconduct and Risk Management Systems for New Businesses

(a) Establishment of a Risk Review Committee

BIGLOBE has decided to establish a new Risk Review Committee under which second-line departments will conduct risk reviews with respect to new businesses of BIGLOBE and G-PLAN. As an organization reporting directly to the President of BIGLOBE, the Risk Review Committee will be responsible for risk management in business operations and will support the President’s decision-making together with the Management Strategy Meeting.

The Risk Review Committee is scheduled to convene once a month and will consist of BIGLOBE’s full-time directors, full-time statutory auditors, executive officers, and heads of divisions responsible for second-line functions (the Risk Management Department will serve as the secretariat of the Risk Review Committee, and the Deputy General Manager of the Corporate Sector, to which the Risk Management Department belongs, will serve as Secretary-General). With respect to matters relating to G-PLAN, the head of the responsible division at G-PLAN will attend BIGLOBE’s Risk Review Committee and submit the relevant matter for deliberation. The first meeting is scheduled to be held in July 2026.

Matters to be submitted to the Risk Review Committee are those that meet the following criteria. These criteria may be reviewed as necessary after implementation begins.

- New business/market: commencement of a new business or material changes to an existing business
- Matters subject to risk review by each second-line department, including the procurement division (Operations Management Department), legal division (Risk Management Department), and accounting division (Corporate Management Department).

(b) Enhancement of risk management through the Risk Management Committee

BIGLOBE has decided to change the role of its existing Risk Management Committee from a meeting body for reporting on risk management activities to a committee responsible for developing company-wide risk management policies for BIGLOBE and G-PLAN, identifying top risks, and monitoring the progress of and supervising recurrence prevention measures. The committee will consist of BIGLOBE's full-time directors, part-time directors, full-time statutory auditors, and part-time statutory auditors, and is scheduled to meet semiannually. The aforementioned Risk Review Committee will submit for deliberation to, or report to, the Risk Management Committee any material matters it has reviewed. Material matters to be submitted for deliberation to, or reported to, the Risk Management Committee include the development of policies regarding changes in the business environment affecting BIGLOBE as a whole, or matters concerning whether to proceed with initiatives that would have a particularly significant impact on BIGLOBE's management (including matters equivalent to those requiring approval by the Board of Directors). Based on the foregoing, the functions of the Risk Management Committee will be expanded to include deliberation on medium- to long-term risk response policies.

Following this change, the Risk Management Committee was convened in May 2026. The Risk Management Department serves as the secretariat of the Risk Management Committee, and the General Manager of the Corporate Sector serves as Secretary-General.

(c) Strengthening risk review activities

With respect to BIGLOBE's risk review activities (namely, activities to periodically identify risks, establish countermeasures, and monitor their implementation), BIGLOBE has decided that its risk management division (the Risk Management Department), as the coordinating division, will establish risk items and countermeasures that incorporate the perspective of preventing fraudulent transactions related to BIGLOBE's business (including the management of G-PLAN), and will monitor whether operations are being conducted in accordance with such countermeasures. The four candidate risk items to be newly established are a decline in compliance awareness, deficiencies in credit management, overreliance on specific individuals for tasks, and a shortage of personnel with specialized skills.

In addition, in April 2026, BIGLOBE increased the personnel involved in these risk review activities from two to five and decided that to conduct on-site checks to

confirm that the risk countermeasures established through such activities are being appropriately implemented. Furthermore, if the checks identify matters raising concerns, BIGLOBE plans to request explanations from the relevant division and submit for deliberation, or report, such matters to the Risk Review Committee.

BIGLOBE plans to identify new risks and establish countermeasures in these risk review activities by the end of June 2026. BIGLOBE also plans to verify the implementation of the established risk countermeasures in September 2026 for the first half of the fiscal year and in February 2027 for the second half of the fiscal year.

## B. Eliminating Opportunities for Misconduct through Revisions to the Structure of Business Divisions

### (a) Eliminating overreliance on specific individuals for tasks

BIGLOBE's human resources division (Human Resources Department) and risk management division (Risk Management Department) developed the basic framework for a personnel rotation system for designated divisions. Going forward, BIGLOBE plans to finalize the details of the system by August 2026 and put the system into operation in October 2026.

The "designated divisions" to which the personnel rotation system will apply are expected to include divisions whose annual transaction amounts relating to purchasing and procurement exceed a certain threshold, as well as the finance division and the procurement division. In addition, with respect to the "persons subject to rotation" and the "maximum period of assignment" under the personnel rotation system, BIGLOBE will set the maximum period of assignment for managers and group leaders in designated divisions at five years, and if personnel to which the system applies reaches such maximum period of assignment, transfer to another division will be mandatory. However, where it is difficult to implement such transfer, the officer in charge of corporate functions will determine whether to make the transfer after discussing the relevant operational circumstances. In addition, regardless of whether they belong to designated divisions, BIGLOBE plans to set, in general, a three-year maximum period during which responsible personnel may be assigned to the same business partners. As an exception for responsible personnel, BIGLOBE is also considering establishing a rule under which, for operations where control functions are operating effectively and a rotation would create a shortage of personnel resources, the period of assignment may be extended by one year, subject to review by the officer in charge of corporate functions.

Taking into account its personnel resources, G-PLAN does not plan to introduce a

mandatory personnel rotation system like the one to be introduced at BIGLOBE. However, G-PLAN will establish a Personnel Assignment Review Committee to identify and list as “long-term assignees” employees who have been in charge of the same business partners for an extended period, and to deliberate on the need for periodic transfer and possible new assignments. The Personnel Assignment Review Committee will consist of G-PLAN’s directors and executive officers and is scheduled to be held approximately two months prior to the regular personnel transfers in April and October of each year. The first meeting is scheduled to be held in August 2026.

At meetings of the Personnel Assignment Review Committee, the Committee will deliberate taking into account such factors as the division to which each long-term assignee belongs, the content of his or her duties, the relevant business partners, the scale of transactions, and the assignment period, and the final measures will be determined upon approval by G-PLAN’s President.

(b) Strict separation of responsibilities in procurement processes

At BIGLOBE, the accounting division (Corporate Management Department) established rules on separation of responsibilities in procurement operations involving invoice payments and disseminated such rules throughout the company by issuing a company-wide notice in March 2026. The rules clarify that the person responsible for preparing approval requests must be separate from the person responsible for processing purchase orders, and that the person responsible for processing purchase orders must be separate from the person responsible for processing inspections and acceptances.

In addition, to ensure consistent compliance with the rules, BIGLOBE prepared an invoice payment operations manual for responsible personnel and disseminated it in April 2026.

At G-PLAN, under the Purchasing Management Regulations (administered by G-PLAN’s Corporate Planning Department), the basic principle of separation of responsibilities is that, generally, the preparation of approval requests and purchase order placement, and purchase order placement and inspection and acceptance, are to be handled by different personnel, respectively. In April 2026, G-PLAN expressly set forth specific standards, and again issued a company-wide notice and posted the standards on its internal portal site, thereby clarifying the separation of personnel responsible for preparing approval requests, purchase order processing, and inspection and acceptance processing, and commencing dissemination and

application thereof.

BIGLOBE's Corporate Management Department and Operations Management Department began monitoring the implementation of these rules in May 2026, with reference to the purchasing compliance checklist prepared by KDDI.

#### C. Strengthening Business Scrutiny and Misconduct Detection Functions by Corporate Divisions

##### (a) Enhancement of approval standards for business partners and credit management

BIGLOBE revised its credit management standards (department in charge: BIGLOBE's Corporate Management Department) in May 2026, requiring approval from the President of BIGLOBE for all transactions with a credit limit of 10 million yen or more. Transactions with a credit limit of less than 10 million yen require approval from the head of BIGLOBE's Corporate Division. Furthermore, approval from the President of BIGLOBE is also required in cases where a determination cannot be made based on a credit investigation by a credit research company.

The current credit limits at BIGLOBE are set on the assumption of the corporate ISP (Internet Service Provider) business; therefore, separate credit management standards for businesses such as merchandise sales will be established by reference to the standards of KDDI group companies.

Regarding G-PLAN's credit screening, the credit management manual (department in charge: G-PLAN's Corporate Planning Department) was revised in May 2026. Under the revised manual, the setting of credit limits of 10 million yen or more requires approval from the President of BIGLOBE, while the setting of credit limits less than that threshold requires approval from the head of BIGLOBE's Corporate Division and the head of BIGLOBE's investment management division.

Additionally, BIGLOBE's Corporate Management Department will, from May 2026, conduct monthly monitoring of operations based on the new credit management rules, including whether there are any overdue receivables or any instances in which the credit limit has been exceeded at BIGLOBE and G-PLAN. The Department will also conduct annual monitoring regarding the updating of credit research materials and other documents.

##### (b) Establishment of procedures for verifying eligibility of suppliers

Regarding new supplier screening, in addition to the existing checks on whether business partners constitute anti-social forces, BIGLOBE revised its guidelines for conducting investigations of business partners (department in charge: BIGLOBE's

Business Administration Department) in April 2026, and G-PLAN established new guidelines for business partner investigations (department in charge: G-PLAN's Corporate Planning Department) in March 2026, to ensure that their purchasing divisions can implement "verification of transaction capability" of suppliers. When transacting with a new supplier, submission of a prescribed business partner investigation form is mandatory for both BIGLOBE and G-PLAN, and the purchasing divisions will conduct screening based on supplier screening standards (BIGLOBE's Business Administration Department and G-PLAN's Corporate Planning Department).

The supplier screening standards are scheduled to be updated by the end of September 2026 based on the screening standards we have prepared, and after we provide a template of the screening standards, the specific supplier screening standards will be established. Subsequently, BIGLOBE's purchasing department will commence monthly monitoring of supplier screening (BIGLOBE's Business Administration Department).

(c) Verification of evidence in procurement and revenue recognition processes

Regarding the procurement process via invoice payments, BIGLOBE established a new invoice payment operations manual (department in charge: BIGLOBE's Corporate Management Department) in April 2026, and G-PLAN established new guidelines for acceptance inspection (department in charge: G-PLAN's Corporate Planning Department) in March 2026. Rules have been established that require business divisions to attach evidence showing the existence of transactions (e.g., inspection certificates, delivery notes, and work reports), and require the accounting divisions of both BIGLOBE and G-PLAN (BIGLOBE's Corporate Management Department and G-PLAN's Corporate Planning Department) to verify the attached supporting evidence. BIGLOBE's accounting and procurement divisions also began monthly monitoring of the verification of supporting evidence in May 2026.

In addition, to strengthen verification of supporting evidence for revenue recognition, from May 2026, BIGLOBE added a process under which its legal division (Risk Management Department) verifies the existence of transactions based on supporting evidence when affixing the company seal to invoices. This process has been formalized and communicated company-wide, with monitoring of the process to commence in July 2026. Meanwhile, G-PLAN has formalized a similar process within its legal division (Corporate Planning Department) in June 2026 and will commence monitoring in August 2026. Monitoring for both companies will be

conducted by BIGLOBE's legal division (Risk Management Department).

#### D. Cash Flow-focused Accounting

BIGLOBE's accounting division (Corporate Management Department) has decided to add the following items relating to cash flow status, as matters to be reported through the director responsible for the Corporate Division, to the existing performance reports (operations, revenue and expenditure, and capital investment) at regular meetings of the Board of Directors, and this practice commenced in March 2026:

Monthly comparison of cash flow against plan

Addition of daily estimates of the cash flow forecast for the current month (this enables monitoring of the outlook for both group finance credit limits and month-end borrowings)

In addition to cash flow, from May 2026, the monthly reporting of the previous month's PL reflects not only the company-wide consolidated PL but also the PL by major business segments (including G-PLAN's standalone PL), thereby enhancing the assessment of profitability.

Regarding the BS, it will continue to be reported in the quarterly financial results reports as before; however, BIGLOBE will additionally report the results of the reasonableness of monthly trends in key items such as accounts receivable and accounts payable. This reporting will begin within the report for the first quarter of FY2026 and is scheduled to be presented at regular meetings of the Board of Directors in June 2026 or later.

#### E. Strengthening Internal Audit Systems and Methodologies

##### (a) Strengthening risk-based audits and misconduct related-reviews

To strengthen risk-based audits, starting with the FY2026 audit plan, BIGLOBE has decided that the semi-fixed annual audit plan and audit themes that had previously been used will be replaced with an approach that sets internal audit themes focused on cases with high risk levels for each fiscal year, after conducting multi-faceted risk assessments (e.g., the status of internal incident, results of periodic risk inspections, schedules for new business/service launches, and changes in the external regulatory environment). This approach will be implemented by BIGLOBE's Management Audit Office. The audit plan for the FY2026 was drawn up by the Management Audit Office in May 2026.

Furthermore, starting with the internal audits for the FY2026, during the

implementation of individual audits, potential risks will be identified by thoroughly verifying supporting evidence and reviewing and examining in depth risks across the entire business process subject to audit.

Concurrently, the following five matters have been designated as “Key Matters for Misconduct Risk” to clarify “Misconduct Check Items” in audits of these matters: (i) compliance, (ii) sales (including credit), (iii) purchasing/procurement, (iv) asset management, and (v) information leakage prevention.

Additionally, in light of the above-mentioned strengthening internal audit systems and methodologies, BIGLOBE’s Management Audit Office comprehensively revised BIGLOBE’s “Basic Internal Audit Regulations” in May 2026 to align them with the “Global Internal Audit Standards” published by the Institute of Internal Auditors, and also developed the “Detailed Rules for the Basic Internal Audit Regulations.”

(b) Strengthening audits of subsidiaries

Although G-PLAN had been conducting internal audits using its own resources, the possibility that such audits were not necessarily sufficient is conceivable.

Accordingly, going forward, BIGLOBE’s Management Audit Office will include G-PLAN within the scope of BIGLOBE’s internal audits. As with (a) above, BIGLOBE’s Management Audit Office comprehensively revised the “Basic Internal Audit Regulations” in May 2026, reflected the revision in the “Detailed Rules for Basic Internal Audit Regulations,” and incorporated them into the “Annual Audit Plan” for the FY2026.

(II) Improvement Measures at KDDI

A. Promoting Understanding of New Businesses

(a) Strengthening the 1.5-line function within business divisions

In the Personal Business Integration Sector (an organization that oversees the personal core business—the consumer telecommunications business—and the personal growth business—the business covering areas such as finance, energy, and convenience stores—and handles business strategy, business management, and marketing aimed at creating synergies across the entire personal business), we established the new Group Management Support Department 1 (primarily responsible for the personal growth business area) and the Group Management Support Department 2 (primarily responsible for the personal core business area) on June 1, 2026, to improve the quality and quantity of communication with the group companies and to strengthen collaboration with our corporate and audit divisions.

These newly established departments will consolidate roles, such as the management of the group company profitability, financial soundness, risk management, and addressing audit findings in the personal business, which were previously dispersed within the Personal Business Sector, and by assigning response personnel, will strengthen their role as the 1.5-line function bridging the first-line (investment management divisions and the group companies) and the second-line. The departments will also liaise with and provide feedback to corporate and audit divisions, share insights regarding business and risks with the corporate and audit divisions, and connect these efforts to governance-strengthening initiatives by the second and third-lines.

Additionally, the departments will promote more active communication between us and the group companies, exchange information regarding business descriptions, revenue and expenditure structures, and risks, among other activities, in the personal business area, focusing on businesses in new areas (including businesses in existing areas where information is scarce), as well as check how governance-related rules to promote are being applied, thereby helping the investment management division to better understand business operations and management conditions of the group companies.

(b) Issue resolution support through discussions with group company CFOs

Our group company support divisions plan to hold discussions with group company CFOs regarding issues related to governance, risk management, and compliance. In the first half of FY2026, we plan to hold discussions with the CFOs of approximately 50 group companies from April to August 2026. These discussions will cover all group companies to which we dispatch CFOs.

While this initiative has been implemented in the past, in light of this matter, we will now specifically address governance issues that were among the causes of this matter and will collaborate with our relevant departments of the second-line (departments of appropriate corporate functions depending on the nature of the issues, such as the Corporate Management Division, the General Administration Division, the Human Resources Division, the Corporate Procurement Division, the Corporate Sharing Service Division, and the Information Security Division) to resolve the relevant issues, taking the initiative to provide specialized support as necessary.

Discussions with group company CFOs will continue to be implemented in the second half of FY2026 and thereafter, with themes to be selected each time.

## B. Strengthening and Improving Risk Awareness

### (a) The Risk Management Committee's response to this matter as a material risk

At the meeting of the Risk Management Committee (chaired by the Representative Director and President, with full-time directors and CxO-level executive officers serving as members, and the Internal Control Department serving as its secretariat) held in February 2026 after the establishment of the Special Investigation Committee, this matter was identified as one of our material risks, although the investigation had not yet been completed at that point. The Risk Management Committee also decided to continue monitoring initiatives relating to this matter. Subsequently, in March of the same year, the Group Governance Strengthening Enhancement Measures Meeting (chaired by the Representative Director and President and composed of the heads of the divisions serving as the investment management division for group companies (Corporate Strategy Division, Business Exploration & Development Division, Core Technology Sector, Personal Business Integration Sector, Personal Core Business Sector, Personal Growth Business Sector, Business Solution Core Sector, and Business Solution Growth Sector), the heads of the corporate-related divisions (Corporate Sector, Corporate Management Division, Human Resources Division, Corporate Procurement Division, Corporate Sharing Service Division, General Administration Division; and the Governance Promotion Division serves as secretariat of the Group Governance Enhancement Measures Meeting), and the head of the Audit Division) was established as a body under the Risk Management Committee, and it was decided that the Group Governance Enhancement Measures Meeting's activities would also be reported to the Risk Management Committee. The Group Governance Enhancement Measures Meeting aims to strengthen group governance by developing recurrence prevention measures of this incident and ensuring that such measures are disseminated and internalized throughout the group. It is expected to "consider recurrence prevention measures requiring a company-wide response," "disseminate and monitor such measures at each division and group company," and "consider further enhancements to the organizational framework." The Group Governance Enhancement Measures Meeting has been held three times to date, in March (the first meeting), April (the second meeting), and May (the third meeting), and is scheduled to meet again in July and September. The timing of meetings in the second half of FY2026 is scheduled to be determined by the July meeting. At these meetings, the participating division heads engage in interactive discussions on strengthening group governance, and the secretariat takes the lead in translating those discussions into specific initiatives, which we or our group

companies then implement. In addition, with respect to the consideration and monitoring of recurrence prevention measures across our group, the Governance Promotion Division, acting as secretariat, compiles the status of recurrence prevention initiatives from the relevant departments described in this report and reports the status to the Group Governance Enhancement Measures Meeting.

In addition, in FY2025, the Risk Management Committee selected other material risks for our group, in addition to the risk relating to this matter, and will continue to consider necessary updates and the possible addition of new risks, with a view to deliberating on such matters at its next meeting.

The next meeting of the Risk Management Committee is scheduled for October 2026, and matters reported at that meeting are also expected to be reported to the Board of Directors thereafter. Through these reports to management, we will work to deepen understanding of this matter and use feedback from the members of the Risk Management Committee to communicate matters requiring focused attention across the company.

(b) Promotion of activities to foster understanding and internalization of the KDDI Group Philosophy

We have established the “KDDI Group Philosophy,” which is grounded in the high ethical standards reflected in the question, “What is the right thing to do as a human being?” and is intended to serve as a shared set of values and standards of conduct for each and every employee of our group. Our human resources function (Human Resources Development Department) is responsible for planning and promoting KDDI Group Philosophy-related initiatives. In addition to conducting study sessions for employees at each organizational level, it also carries out activities at the division level and at the group company level. Although these initiatives are planned on a fiscal-year basis and promoted continuously, we have decided, in FY2026 in particular, to strengthen activities aimed at enhancing employees’ ethical awareness and activities for group companies, and have developed plans to implement the following initiatives:

- (i) Study sessions for our officers and senior management (for our executive officers and presidents of major subsidiaries; five sessions in total from April 2026 to February 2027)

Theme: Reframing group governance as one’s own responsibility and articulating and declaring commitments aimed at preventing recurrence and restoring trust

(ii) Study sessions for our employees (from July 2026 to March 2027)

Theme: Strengthening ethical judgment and personal integrity, with the aim of encouraging each employee to act in accordance with the Philosophy

(iii) KDDI Group Philosophy activities by division (at any time during FY2026):

Theme: Under the leadership of each division head, enhancing the ethical awareness of all personnel in the divisions in light of the operational risks and decision-making criteria relevant to the respective division

In addition to our internal initiatives, our human resources function (Human Resource Development Department) has developed the following plans for initiatives to enhance ethical awareness at group companies, including promoting understanding of the KDDI Group Philosophy:

(iv) Visits by our management to subsidiaries (Target: strategic subsidiaries; from April 2026 to July 2026)

Theme: Dialogue between KDDI's management and the top management of subsidiaries

(v) Sessions for the top management of subsidiaries (Target: subsidiaries other than strategic subsidiaries; June 2026)

Theme: Promoting understanding of the KDDI Group Philosophy among management and enhancing their ethical awareness

(vi) Ethical awareness enhancement activities organized by each subsidiary (at any time during FY2026)

Theme: Initiatives tailored to each company's business and culture to enhance ethical awareness, starting with messaging from top management (including talks by subsidiaries' CEOs or CFOs or by the heads of KDDI business divisions)

Our human resources function (Human Resources Development Department) will require each division within KDDI and each subsidiary to submit semi-annual reports on the implementation of these activities. In addition, our human resources function (Human Resources Development Department) also plans to monitor the extent to which ethical awareness has been disseminated and internalized among our employees and its subsidiaries by conducting questionnaire surveys to assess the results of these activities led by the head of each division or subsidiary (scheduled for September 2026 and March 2027).

(c) Revision of the KDDI Code of Business Conduct

Following our revision of the KDDI Group Philosophy in FY2025 (which was undertaken in order to further strengthen our distinctive identity and to foster a shared culture across the group, including group companies, by adding and revising elements relating to ethics, integrity, sustainability, willingness to take on challenges, and diversity, against the backdrop of the increasing importance of telecommunications as social infrastructure and the growing diversity of human resources), we have been revising the KDDI Code of Business Conduct, which specifically sets out the standards of conduct to be observed by all of our employees, in light of the revision of the KDDI Group Philosophy, and conducting internal briefings on the revisions. This work is being carried out as a cross-departmental project involving the general administration-related departments (General Administration department, Legal Department, and Intellectual Property Department), led by the compliance-related department (Internal Control Department), and we are proceeding with this work with the aim of completing the revisions in July 2026. In relation to this incident, we have added a new section to the KDDI Code of Business Conduct titled “Acting Based on Judgments Grounded in What Is Right as a Human Being,” thereby placing clearer emphasis on the expectation that employees act with high ethical standards. In addition, we are working to reorganize the KDDI Code of Business Conduct to ensure that it is more closely aligned with the KDDI Group Philosophy and easier for employees to understand, while also updating the terminology used.

After the KDDI Code of Business Conduct has been revised, our compliance-related department (Internal Control Department), will promptly post it on the company’s intranet and will also raise awareness of the revised Code together with the KDDI Group Philosophy through KDDI Group Philosophy study sessions. In addition, we plan to request our group companies to disseminate the revised KDDI Code of Business Conduct through the secretariats of each company’s corporate ethics-related bodies.

(d) Training and education in response to this matter

Our risk management department (Internal Control Department) will develop training materials that include information about this matter by July 2026 and will roll out the training program with the aim of having all our employees complete it between July and September 2026. The content will include information on the specific methods used in this matter and the reasons why the inappropriate transactions were not identified and will be designed to help employees enhance their

awareness of fraud risks in a manner that makes such risks feel real and relevant.

C. Thorough Review of Details of Business and Arrangement of a Risk Detection System

(a) Review of key businesses and issues by investment management division

Our investment management division will obtain information on the various businesses of BIGLOBE and G-PLAN through the full-time officers seconded by KDDI to BIGLOBE. It will also collect information from BIGLOBE employees as appropriate and, based on such information, review the status of, and issues relating to, the key businesses of BIGLOBE and G-PLAN.

In addition, BIGLOBE's Risk Management Committee is established under its Board of Directors, and the part-time directors we have seconded to participate in that committee and obtain information through discussions concerning material risks relating to BIGLOBE and G-PLAN.

Further, the investment management division will confirm the status of implementation of recurrence prevention measures through participation in BIGLOBE's recurrence prevention measures promotion meeting. It will also monitor the business and risk status of BIGLOBE and G-PLAN as part of its efforts to detect risks.

(b) Development of rules and monitoring operations for procurement and credit management processes

Our procurement department (Procurement Administration Department) will revise its rules in June 2026 to make it mandatory for group companies to establish credit management standards in connection with the selection of suppliers. In conjunction with this rule revision, we will provide our group companies with a template for credit management regulations and request those that have not yet established such regulations to adopt them promptly. We will also request the group companies whose existing regulations are insufficient to review them and apply the revised regulations after such review.

In addition, we will also provide a template for regulations concerning credit management for sales counterparties and will likewise request their adoption.

The revised credit management standards will add, as monitoring items, the appropriateness of the order details in light of business partners' operating status and business activities, as well as the results of credit investigations.

Further, under the revised credit management standards, the initial credit screening will be conducted by each group company. However, transactions with business

partners that receive a low rating in the credit screening will require approval by our investment management division and will also be subject to final review by our procurement department.

The group companies and our investment management division will complete the establishment of credit management regulations by the end of September and will begin operations under the new regulations in stages. Thereafter, the group companies and our investment management division will conduct self-audits by the end of December to confirm the status of such operations. Based on the results of these audits, our procurement department will confirm that the transition to operations under the new regulations has been completed. In making this confirmation, we plan to assess the relevant operations not merely by accepting explanations from the entities being reviewed at face value, but by examining objective evidence such as detailed operational records.

In addition, with respect to the initial credit assessment, the procurement department is developing a tool equipped with AI-based screening functions, with the goal of making it available from August 2026. The procurement department and the department providing shared services are also considering the introduction of an intercompany workflow system for the process requiring our review following escalation from subsidiaries, with the goal of commencing its use in November 2026.

With respect to BIGLOBE and G-PLAN, the review of their credit management standards described in (I) C. above is being undertaken ahead of other entities, and our procurement department is providing support for such advance review.

(c) Strengthening the financial information management framework

We have established a new “Three Financial Statements Review Meeting,” with the Governance Administration Department, which is to be established under the newly created Governance Promotion Division within KDDI (details of which are provided below) serving as its secretariat. This meeting is scheduled to commence in July 2026.

The heads of each business division responsible for managing the group companies and the Head of the Corporate Management Division, who oversees our group’s overall accounting and financial strategy, will participate in this meeting. We will introduce an external tool, and our accounting department will use it to review trends in the actual figures in the three financial statements—profit and loss statement (PL), balance sheet (BS), and cash flow statement (CF)—aggregated by first-tier subsidiary, and to detect anomalies. If any anomalies are detected, the Head of the Corporate

Management Division will provide a status update and raise issues to be addressed. In response, the head of each business division will confirm the status of the relevant subsidiary and request that the causes of the anomalies and the measures to address them be reported at the next Three Financial Statements Review Meeting and the next monthly Profitability Review Meeting.

(d) Enhancing awareness and promoting use of the internal whistleblowing system

We recognize that the internal whistleblowing system is an effective means of early risk detection. In order to enhance awareness and promote understanding of the system, including among group companies, our compliance-related department (Internal Control Department) has been providing information on reporting channels and the system itself to raise awareness and encourage their use. In April 2026, at our management policy presentation, the President addressed all employees regarding the internal whistleblowing system, explaining that anonymity would be protected and that no detrimental treatment would result from making a report, thereby making them aware that a reporting channel is available through which they can raise concerns with confidence. The confidentiality obligations and prohibition of detrimental treatment in relation to the internal whistleblowing system are expressly set out in our internal whistleblowing response regulations (the department in charge of which is the Internal Control Department). Also in the same month, our compliance-related department updated the intranet page relating to the internal whistleblowing system and disseminated the relevant information internally. In May 2026, we requested the secretariats responsible for internal whistleblowing contact points at our subsidiaries to undertake initiatives to promote awareness of the internal whistleblowing system, while also rolling out e-learning materials introducing the internal reporting channel available across our group. Group companies have already independently undertaken activities such as raising awareness of the internal whistleblowing system and holding briefing sessions, and our compliance-related department and risk management department (both within the Internal Control Department) will continue to encourage the continued implementation of such awareness-raising activities through meetings and other forums with the group companies.

In addition, the Internal Control Department plans, in the second half of FY2026 (currently scheduled for November 2026 to January 2027), to conduct a questionnaire survey in conjunction with efforts to raise awareness of the internal whistleblowing system in order to gauge employees' willingness at each of our Group companies to

use the system. Based on the results, we will further examine the need for additional awareness-raising efforts and review the methods used for such awareness-raising.

#### D. Strengthening Understanding of Internal Controls and Division of Duties at Subsidiaries

##### (a) Initiatives to ensure proper segregation of authority

Our procurement department (Procurement Administration Department) has reviewed the template for the procurement management regulations for the group companies, which sets forth rules on the segregation of authority in procurement operations, in order to make its content more detailed and robust. We will provide this template to each group company in June 2026. In addition, we will request group companies that have not yet established such rules to introduce them promptly. Where a group company's existing standards are insufficient, we will request that those standards be reviewed and that the company establish and implement rules based on the revised standards. The group companies and our investment management division will complete the necessary implementation by the end of September and will begin operations under the new regulations in stages. Thereafter, they will conduct self-audits by the end of December in order to confirm the status of such operations. Based on the results of such audits, our procurement department will confirm that the transition to operations under the new rules has been completed.

##### (b) Addressing risk associated with overreliance on specific individuals

At our Group Governance Enhancement Measures Meeting, a comprehensive governance review was conducted in April 2026 in order to ascertain the current status of governance frameworks for the group companies, including the development and operation of relevant rules. In response to a question in that review as to whether measures such as a personnel rotation system had been implemented to address the risk associated with overreliance on specific individuals, some subsidiaries responded that, due to resource constraints, they were unable to adopt measures based on a personnel rotation system.

In response, we further discussed, at the Group Governance Enhancement Measures Meeting, methods for addressing and managing the risk associated with overreliance on specific individuals. We have again requested that each group company consider, by June 2026, whether it can introduce a personnel rotation system or, alternatively, measures to ensure proper segregation of authority of duties so that no single task is handled end-to-end by one person or one organizational unit.

We will confirm the results of that consideration at the Group Governance Enhancement Measures Meeting in July 2026.

E. Strengthening the 1.5-Line Function within Business Divisions and the Personnel Base of Investment Management Division

In light of the situation in which operations had become dependent on specific individuals and backup arrangements involving multiple personnel had been insufficient, we have increased staffing in our investment management division and revised our management structure to ensure oversight by multiple individuals, appointing three persons to serve as personnel in charge of liaising with BIGLOBE and G-PLAN. Through these measures, we have addressed the concentration of duties on specific individuals and strengthened our management structure through mutual review and complementary oversight from multiple perspectives. In addition, as noted above, effective June 1, 2026, we established the Group Management Partner Department 1 and the Group Management Partner Department 2 within the Personal Business Integration Sector and put in place a structure under which these departments serve as a 1.5-line function within the business divisions, responsible not only for profitability management of group companies but also for governance, risk management, and other related matters concerning those companies. The two departments comprise a total of 36 employees, including 11 employees in core managerial positions and 25 employees in core positions. This structure supplements the management functions of the investment management division and strengthens the management structure from both business and risk perspectives.

F. Strengthening Verification of the Appropriateness of Funding Needs in Group Finance

(a) Tightening the group finance approval process

Beginning in February 2026, our finance department (the Finance and Tax Department) changed the group finance applicable period (which refers to the period during which necessary funds may be drawn down) for FY2026 from the previous one-year period to a provisional period from April 2026 through October 2026.

In addition, with respect to matters requiring approval under group finance, we added an upper limit on the loan balance as of the end of the final month of the applicable period on top of the short-term loan credit limit, thereby strengthening control over loan amounts.

Furthermore, when our investment management division applies for group finance at the request of a subsidiary or otherwise, such application is subject to the condition

that, prior to the case-by-case review of the Master Plan, a prior confirmation meeting be held between the head of the investment management division and the Head of the Corporate Management Division, at which the necessity of the loan and the reasonableness of the loan amount, among other matters, are confirmed on each occasion.

(b) Review of approval procedures for group finance from first-tier subsidiaries to second-tier subsidiaries

Starting in May 2026, our finance department (the Finance and Tax Department) revised its rules for cases in which a subsidiary extends group finance to one of its own subsidiaries. Under the revised rules, a preliminary confirmation meeting must be held between our investment management division and the Head of the Corporate Management Division to confirm the relevant details. Thereafter, the relevant materials must be circulated by the investment management division to our finance department and the Head of the Corporate Management Division, and approval must be obtained from the head of the investment management division through the internal approval process (*ringi* process). Through these measures, we have strengthened management and oversight of loans between group companies.

(c) Addition of daily monitoring process for group finance

Starting in May 2026, our finance department (finance and tax department) added a process under which, if any of the following events occur with respect to a subsidiary that has received loans through group finance, the head of our finance department notifies the subsidiary's CFO and the head of the investment management division:

- the projected group finance balance for the current month as of the end of the previous month exceeds the peak value set forth in the Master Plan; or
- the outstanding group finance balance exceeds 90% of the credit limit and also exceeds the projected group finance balance for the current month as of the end of the previous month.

G. Strengthening of Subsidiary Management and Centralization and Integration of Financial Management Functions

Effective June 1, 2026, we established a new Governance Promotion Division within the Corporate Sector and consolidated within it the departments responsible for financial governance, risk management, and support for group companies, which had previously been dispersed among different organizations (Governance Promotion Office of the

Corporate Management Division, Internal Control Department of the General Administration Division, and Group Management Infrastructure Support Department of the Corporate Sharing Service Division). We have thereby put in place a structure under which financial information, business risks, issues relating to subsidiary governance, and other related matters are centrally managed, enabling integrated governance over group companies.

Following the discovery of the DMX incident in 2015, we established a group-wide management structure. However, as organizational restructuring was carried out in response to changes in the competitive environment and other factors, corporate-related functions became dispersed, and coordination among corporate-related divisions may not have been fully adequate. In order to address this issue and improve such coordination, we decided to establish the new headquarters-level organization.

In addition, we will transfer the secretariat functions for the Group Governance Enhancement Measures Meeting, the Risk Management Committee, and other bodies to the Governance Promotion Division. By centralizing information relating to governance enhancement and risk management and conducting financial impact analysis as well, we aim to strengthen our group governance and financial management functions.

#### H. Enhancement of Internal Audits in the Group

Our internal audit department (Internal Audit Department) decided to include fraudulent financial reporting (fraud) as an audit theme in its audit plan for FY2026. In addition, in order to enhance the effectiveness of internal audits in FY2026, all members of the internal audit department attended training led by an external consultant in March 2026 on “Due Professional Care and Professional Skepticism.”

Furthermore, with a view to strengthening the third-line function across our group as a whole, our internal audit department has revised the internal-audit-related provisions of our Subsidiary Management Guidelines and is considering requiring, with effect from October 2026, subsidiaries deemed important in light of factors such as business significance and risk to establish a governance structure based on the three lines model, including an internal audit department or equivalent function.

#### (III) Additional Initiatives to Strengthen Group Governance at KDDI

In addition to the improvement measures described above to prevent recurrence, we are also implementing additional initiatives to strengthen its group governance framework that were not included in the recommendations of the Special Investigation Committee.

The policy for these additional recurrence prevention measures will be considered at the Group Governance Enhancement Measures Meeting, which was established under the leadership of the Representative Director and President, and will be developed into concrete initiatives. The first meeting was held on March 12, 2026, at which division heads shared how they viewed and responded to the matter and engaged in discussions on measures to prevent recurrence. The second meeting was held on April 27, 2026, at which a comprehensive review of the governance frameworks of each company in our group was conducted. At the third meeting, held on May 28, 2026, discussions were held on proposed responses to issues identified through that comprehensive review of governance frameworks, as well as on initiatives aimed at building relationships of equality and mutual trust between us and each of our group companies. At the same meeting, the Corporate Strategy Division provided an explanation regarding the future approach to investment review and portfolio management set forth in the Mid-term Management Strategy. With respect to investment review, it was confirmed that we would continue considering investments in growth areas actively and in a disciplined manner, on the premise that they are compatible with corporate culture and organizational climate. On the other hand, with respect to existing investments, we confirmed our policy of continuously reviewing investment efficiency and strategic rationale and proceeding with portfolio management by classifying investments into four categories: sale, withdrawal, continued holding, and enhanced performance improvement. This review will cover our subsidiaries, second tier-subidiaries, and equity-method affiliates as well. As we proceed with this portfolio management, we believe that these efforts will help reduce one of the contributing risk factors identified as a cause of the incident —namely, that the large number of group companies made it difficult for us to exercise sufficiently thorough management oversight over second tier subsidiaries. At the same time, alongside this portfolio management, we will continue implementing the various improvement measures described above and promoting relationship-building with group companies through these additional initiatives, so as to deepen our understanding of new businesses, better identify relevant risks, and enable appropriate action to be taken at an early stage in addressing the underlying causes. In addition, through the development of rules and monitoring of their implementation, we will reinforce measures designed to prevent misconduct from occurring.

Going forward, the Group Governance Enhancement Measures Meeting is scheduled to hold its fourth meeting in July 2026 and its fifth meeting in September 2026. It is expected to continue management-level discussions on follow-up to the issues identified through the comprehensive review of governance frameworks; the status of initiatives to

build relationships with group companies based on equality and mutual trust; the appropriate governance framework in light of business portfolios to be developed and reorganized in accordance with future disciplined investment execution and portfolio management policies (including the roles and responsibilities of seconded officers); how to develop such frameworks and organizations (including approaches to M&A execution and the PMI phases); and ways to pass on the lessons learned from this incident and prevent them from fading over time.

(3) Implementation Status and Schedule for Improvement Measures

(I) Implementation Status and Schedule for Improvement Measures at BIGLOBE and G-PLAN

→: Under review/under development, ◎: Implemented/completed, ⇒: In operation

Items for Recurrence Prevention	2026										2027		
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
A. Strengthening Risk Assessment for Misconduct and Risk Management Systems for New Businesses													
(a) Establishment of a Risk Review Committee	→	→	→	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b) Enhancement of risk management through the Risk Management Committee	→	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(c) Strengthening risk review activities	→			◎	⇒	⇒	◎	⇒	⇒	⇒	⇒	◎	⇒
B. Eliminating Opportunities for Misconduct through Revisions to the Structure of Business Divisions													
(a) Eliminating overreliance on specific individuals for tasks (BIGLOBE)	→	→	→	→	→	→	→	◎	⇒	⇒	⇒	⇒	⇒
(a) Eliminating overreliance on specific individuals for tasks (G-PLAN)						◎						◎	
(b) Strict separation of responsibilities in procurement processes	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
C. Strengthening Business Scrutiny and Misconduct Detection Functions by Corporate Divisions													
(a) Enhancement of approval standards for business partners and credit management	→	→	◎ Start of the Audit	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b) Establishment of procedures for verifying eligibility of suppliers	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(c) Verification of evidence in procurement recognition processes	→	◎	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(c) Verification of evidence in revenue recognition processes	→	◎	→	◎									
D. Cash Flow-focused Accounting	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
E. Strengthening Internal Audit Systems and Methodologies													
(a) Strengthening risk-based audits and misconduct related-reviews	→	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b) Strengthening audits of subsidiaries	→	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒

(II) Implementation Status and Schedule of Improvement Measures at KDDI

→: Under review/under development, ⊙: Implemented/completed, ⇒: In operation

Items for Recurrence Prevention	2026										2027		
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
A. Promoting Understanding of New Businesses													
(a) Strengthening the 1.5-line function within investment management division	→	→	→	⊙	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b) Issue resolution support through discussions with Group company CFOs		⊙	⊙	⊙	⊙	⊙							
B. Strengthening and Improving Risk Awareness													
(a) The Risk Management Committee's response to this matter as a material risk	→	→	⊙	→	→	→	→	⊙	→	→	→	→	→
(b) Promotion of activities to foster understanding and internalization of the KDDI Group Philosophy													
(i) Study sessions for our officers and senior management		⊙											
(ii) Study sessions for our employees				⊙									
(iii) KDDI Group Philosophy activities by division			⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
(iv) Visits by our management to subsidiaries		⊙	⊙	⊙	⊙	⊙	⊙						
(v) Sessions for the top management of subsidiaries		⊙	⊙	⊙	⊙								
(vi) Ethical awareness training organized by each subsidiary						⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
(c) Revision of the KDDI Code of Business Conduct	→	→	→	→	⊙	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(d) Training and education in response to this matter			→	→	⊙	⊙	⊙						
C. Thorough Review of Details of Business and Arrangement of a Risk Detection System													
(a) Review of key businesses and issues through officers seconded to group companies			⊙										
(b) Development of rules and monitoring operations for procurement and credit management processes		→	→	⊙	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(c) Strengthening financial information management					⊙	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(d) Enhancing awareness and promoting use of the internal		⊙	⊙	⇒	⇒	⇒	⇒	⇒	⊙	⊙	⊙	⇒	⇒

Items for Recurrence Prevention	2026										2027		
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
whistleblowing system													
D. Strengthening Understanding of Internal Controls and Division of Duties at Subsidiaries													
(a) Initiatives to ensure proper segregation of authority		◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b) Addressing risk associated with overreliance on specific individuals	⇒	⇒ Inspection Conducted	⇒	◎ Request for Consideration	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
E. Strengthening the Personnel Base of Investment Management Division		→	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
F. Strengthening Verification of the Appropriateness of Funding Needs in Group Finance													
(a). Tightening the group finance approval process	⇒ Started in February	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(b). Review of approval procedures for group finance from first-tier subsidiaries to second-tier subsidiaries			◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(c). Addition of daily monitoring process for group finance	→	◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
G. Strengthening of Subsidiary Management and Centralization and Integration of Financial Management Functions				◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
H. Enhancement of Internal Audits in the Group		◎	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒

### 3. Recognition of the Impact of Inappropriate Disclosure, etc. on Investors and the Securities Markets

KDDI sincerely apologizes to all stakeholders, including our shareholders, investors, and business partners, for the considerable inconvenience and concern caused by the corrections to our financial

results and other disclosures for prior fiscal years as a result of the Fictitious Circular Transactions.

KDDI takes the recommendations set forth in the Investigation Report of the Special Investigation Committee seriously and, as a united group, is committed to implementing recurrence prevention measures focused on fostering a strong compliance culture, rebuilding governance, strengthening internal control systems and enhancing internal audit systems, as well as to restoring trust and enhancing corporate value.

KDDI appreciates your understanding.